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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 LISBON 000644

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E.O. 12958: DECL: 03/06/2017

TAGS: [PREL](#) [PGOV](#) [XA](#) [XF](#) [PO](#)

SUBJECT: FORMER GOVERNOR BUSH MEETS PORTUGUESE PM, PRESIDENT

Classified By: POL CHIEF TROY FITRELL, REASONS 1.4 (B,D)

[¶1.](#) (C) Summary: In separate meetings with former Governor of Florida Jeb Bush, accompanied by Ambassador Hoffman, both President Cavaco Silva and Prime Minister Socrates stressed that the U.S.-Portugal relationship transcends party politics, asserting that changes in Portugal's government do not affect Portugal's foreign policy. Socrates noted that he would use Portugal's upcoming EU presidency to strengthen the trans-Atlantic relationship and to use that relationship to move the Middle East peace process forward. President Cavaco Silva encouraged greater trilateral cooperation in Lusophone Africa, where he said Portugal and the U.S. are natural partners. End summary.

[¶2.](#) (U) Former Governor of Florida Jeb Bush visited Portugal February 28 to March 4 to participate in a U.S. Embassy-sponsored Innovation in Education Conference. On March 2, in addition to the conference, Governor Bush shared his views on the U.S. presidential campaign in an extensive television interview with one of Portugal's most respected political commentators, Nuno Rogeiro, and met separately with President Cavaco Silva and Prime Minister Socrates at their request.

President Cavaco Silva  
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[¶3.](#) (U) President Cavaco Silva greeted Governor Bush warmly, noting that he enjoyed a long relationship with the Governor's father, President George H.W. Bush. Although Cavaco Silva met the former President professionally during Cavaco Silva's time as Prime Minister, they developed a close friendship which they maintained after each of them had left public office. (Note: President George H.W. Bush led a White House delegation to Cavaco Silva's inauguration in [¶2006.](#) End note.)

[¶4.](#) (U) Cavaco Silva stated that Portugal understood the trans-Atlantic relationship better than most of her European allies. Regardless of which party is in power, relations with the U.S. are a fundamental pillar of Portugal's foreign policy. Cavaco Silva noted that he had made this point directly to Presidents Reagan, G.H.W. Bush, and Clinton, during Cavaco Silva's time as Prime Minister (from 1985-95). Cavaco Silva noted that, although his roots are in the right-of-center Social Democratic Party, he and current Prime Minister Socrates (from the Socialist Party) are in complete agreement on this point.

[¶5.](#) (C) In particular, the President stressed the role of the Azores in the Portugal-U.S. relationship. Cavaco Silva's government, he recalled, negotiated the 1995 Agreement on Cooperation and Defense, which codified the Portugal-U.S. defense relationship and USG access to Lajes Air Base in the Azores. Cavaco Silva opined that the Portugal-U.S. relationship was so consistently strong because, unlike the Spanish, Portuguese are steadfast friends and have a generally positive view of the U.S.

¶6. (U) Cavaco Silva claimed that Portugal retains an influence in the world far greater than would be indicated by its size. He pointed out that Portuguese is widely spoken -- it is the official language in Macau, three Indian states, and East Timor in Asia, as well as five African states and Brazil.

¶7. (C) Turning to Africa, the Portuguese President said one of the continent's fastest growing economies was Mozambique, a Lusophone ally, where Cavaco Silva had spent two years during the colonial war. Angola, he added, was expected to overtake Nigeria in oil production next year. Warming to the topic, Cavaco Silva suggested that the U.S. and Portugal cooperate on institution-building and economic development projects in Lusophone Africa. He added that two of the largest Portuguese expatriate communities in the world are in Venezuela, where President Chavez's recent actions were troubling, and South Africa, where HIV/AIDS is a critical issue.

¶8. (C) Noting that Governor Bush was in Portugal primarily to address a conference on education innovation, Cavaco Silva explained that one of his main areas of focus as President is developing the country's human capital. The education system in Portugal, he said, had suffered from a lack of investment and creative management. Portugal expected to receive Structural Funds from the European Union (EU) equal to 2.5 percent of GDP between 2007 and 2013. It would use those resources primarily to develop a more flexible and competitive primary and secondary educational system similar to the system introduced by Governor Bush in Florida. The President reported that those who had participated in the mission led by Ambassador Hoffman to Florida in September

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2006 had cited their meeting with Governor Bush as a highlight of their visit, and had returned to Portugal full of ideas for reform. (Note: The education innovation conference was an outcome of that visit. End note.)

PM Socrates  
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¶9. (U) Like President Cavaco Silva, Prime Minister Socrates drew parallels between Portugal and Florida, particularly in the areas of tourism, high tech industries, and education. He noted that, as in Florida, Portugal's tourism industry was quite mature. Investment in high-quality projects, he noted, allowed Portugal to develop its infrastructure while maintaining standards and protecting the environment. This sector also represented the highest level of entrepreneurship in Portugal. The island of Madeira, he noted, was an important test case. 20 years ago it was one of the poorest regions in Portugal; today it is one of the richest, with excellent infrastructure and a skilled workforce.

¶10. (U) On education, Socrates noted that, earlier that day, his government had signed an agreement with the University of Texas at Austin intended to foster academic exchanges and collaborative research. This was the third such agreement negotiated by the Socrates government, joining similar arrangements with MIT and Carnegie-Mellon. Such collaboration at the university level, Socrates opined, is essential to raising education standards and deepening the trans-Atlantic relationship.

¶11. (C) Socrates described the relationship with the United States as a fundamental pillar of Portugal's foreign policy, together with the European Union and the Lusophone world. Socrates echoed President Cavaco Silva in asserting that Portugal's two principal political parties shared a commitment to a strong trans-Atlantic relationship, which ensured consistency in the country's foreign policy from one government to the next.

¶12. (C) The Prime Minister stated that Europe and the United States share strategic interests. The most important aim, he suggested, must be to work more closely together, particularly regarding our relationships with the Arab world.

Europe, he posited, has a special responsibility in the Middle East and must do more in cooperation with the U.S. Socrates stated that he will dedicate Portugal's upcoming EU presidency to that end. Socrates noted that although he had not supported military action in Iraq, his government will maintain its commitment to the NATO Training Mission there as well as its broader contributions to NATO and to our bilateral agreements.

¶13. (C) Turning to domestic issues, Socrates noted that his greatest success thus far has been the reform of the social security system. Today, s longer lifespans and wealthier economy mean that pension payments are bankrupting the state. Pension payments have risen ten percent annually over the last 20 years. Shortly after taking office, Socrates raised the retirement age of public sector workers to 65 to match that of the private sector. The reforms also simplified the indexing of pensions to maintain purchasing power rather than outpace inflation. The Bank of Portugal released a study showing that the new system will be fiscally sustainable for the next 30 years.

Comment

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¶14. (C) Both Cavaco Silva and Socrates asked to meet with former Governor Bush, and they greeted him warmly. Although we heard nothing new, the President and Prime Minister clearly wanted to underscore the strong transatlanticist orientation of Portugal's foreign policy, and to make it clear that Portugal would continue to fulfill its NATO commitments, despite significant budget constraints.

Hoffman